DEPARTMENT OF EASURY





JAY B. RISING, STATE TREASURER

Treasury Building

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The Office of State Treasurer is provided for by article V, section 3, of the Michigan Constitution of 1963. The State Treasurer is appointed by the governor, with the advice and consent of the senate, and serves at the pleasure of the governor.

The department was established by the Executive Organization Act of 1965, which merged the operations of the following six agencies: State Treasurer, Department of Revenue, Municipal Finance Commission, Board of Tax Appeals, State Tax Commission, and Auditor General (except the state audit function). In addition, the Board of Equalization and Board of Escheats were abolished and their functions were absorbed by the new department.

Effective July 1, 1984, the Municipal Finance Commission was abolished. All its powers and duties now reside with the State Treasurer.

Effective in August 1991, the Michigan Tax Tribunal was transferred to the Department of Commerce pursuant to Executive Order No. 1991-18.

Effective May 1992, the Michigan Higher Education Facilities Commission and Michigan Higher Education Facilities Authority were transferred from the Department of Education to the Department of Treasury pursuant to Executive Order No. 1992-2.

Effective April 8, 1995, the Michigan Higher Education Assistance Authority and Michigan Higher Education Student Loan Authority were transferred from the Department of Education to the Department of Treasury pursuant to Executive Order No. 1995-3.

Effective January 1, 2000, all administrative responsibilities related to statewide educational assessments were transferred from the Department of Education to the Department of Treasury pursuant to Executive Order No. 1999-12. Effective December 21, 2003, the administration of the Michigan Educational Assessment Program (MEAP) was transferred to the Superintendent of Public Instruction.

The State Treasurer acts as principal advisor to the governor on tax and fiscal policy issues. The State Treasurer is the chairperson of the Michigan Education Trust, the Michigan Higher Education Assistance Authority, the Michigan Higher Education Student Loan Authority, the Michigan Merit Award Board, the Michigan Municipal Bond Authority, and the Michigan School District Accountability Board. The State Treasurer serves as sole investment fiduciary to the judges, public school employees, state employees, and state police retirement funds. The State Treasurer serves as treasurer of the Mackinac Bridge Authority, and five retirement systems. The State Treasurer is also a member of the following boards, commissions, and task forces: Local Emergency Financial Assistance Loan Board, Task Force on Local Government Services and Fiscal Stability, Michigan Broadband Development Authority Board, Michigan Capitol Park Commission, Michigan Early Stage Venture Investment Corporation, Michigan Economic Development Corporation Corporate Board, Michigan Economic Growth Authority, Michigan Forest Finance Authority, Michigan Law Enforcement Officers Memorial Monument Fund Commission, Michigan Public Educational Facilities Authority, Michigan State Hospital Finance Authority, Michigan State Housing Development Authority, Michigan Strategic Fund, Michigan Underground Storage Tank Financial Assurance Authority/Advisory Board, Michigan

Judges Retirement Board, Michigan State Employees Retirement Board, Michigan State Police Retirement Board, the Ronald Wilson Reagan Memorial Monument Fund Commission, and the State Administrative Board.

The operational responsibilities of the department are handled by the Executive Office, the Chief Deputy Treasurer, the Deputy Treasurer of Programs, the Deputy Treasurer for State and Local Finance, and the Director of the Bureau of Investments.

Executive Office

The Executive Office of the Department of Treasury consists of the State Treasurer, the Chief Deputy Treasurer, the Deputy Treasurer of Programs, the Deputy Treasurer for State and Local Finance, and the Director of the Bureau of Investments.

Deputy Treasurer of Programs

The Deputy Treasurer of Programs directs, develops, and implements programs at the direction of the State Treasurer, and serves as a liaison on programmatic endeavors between the State Treasurer and department stakeholders including, but not limited to, outside agencies in state and federal government and private industry.

Office of Internal Audit

The overall objective of the *Office of Internal Audit (OIA)* is to assist Treasury management in carrying out its responsibilities by providing an independent appraisal, analysis, and evaluation of department operations. OIA also assists in the determination of whether risks are identified and reduced, acceptable policies and procedures are followed, established standards are met, and resources are used efficiently and economically. Services provided to the department include such items as the annual auditing of taxes receivable and payable which is needed to close the state's accounting records, acting as the liaison with the Office of Auditor General, conducting special audits for upper management, and reviewing written procedures as necessary to detect potential internal control weaknesses. In addition, OIA is responsible for carrying out the responsibilities described in MCL 18.1483-18.1489 of the Michigan Compiled Laws.

Office of Security

The Office of Security performs functions to assure information and data security in development and maintenance of system applications and technological processes operated by or on behalf of the Department of Treasury; compliance with statutes and regulations for security and confidentiality of information in the custody of the State of Michigan; and conformance by Bureau, Division, and Office staff with State of Michigan and departmental security policies, procedures, and practices. The Office controls access to the various Treasury computer systems through a process of written and on-line approvals and facilitates annual security reviews to be performed by departmental staff.

Investments

The State Treasurer is the investment fiduciary and custodian for four state retirement funds with assets of over \$49 billion and 574,353 members, retirees, and beneficiaries. The State Treasurer is also responsible for investing State operating and various other State funds with assets of \$5 billion.

The *Bureau of Investments* performs all investment functions on behalf of the State Treasurer. The bureau is organized by major investment disciplines, as follows: Alternative Investments Division, Short-Term Fixed Income Analysis Division, Long-Term Fixed Income Analysis Division, Mortgage and Real Estate Division, Quantitative Analysis Division, and Stock Analysis Division. The Trust Accounting Division accounts for and settles the investment transactions and maintains custody of the investments.

Investment of the four retirement funds is overseen by the Investment Advisory Committee.

INVESTMENT ADVISORY COMMITTEE

Public Members	Term expires
DAVID G. SOWERBY, Farmington Hills (Chair)	Dec. 15, 2005
ROBERT E. SWANEY, Jr., Grosse Pointe Farms (Vice Chair)	Dec. 15, 2007
Marina N. Whitman, Ann Arbor	Dec. 15, 2006

INVESTMENT ADVISORY COMMITTEE (Cont.)

ex officio

DAVID C. HOLLISTER, Director, Department of Labor and Economic Growth LISA WEBB SHARPE, Director, Department of Management and Budget

The Investment Advisory Committee was created by Act 232 of 1969 to review the investments, goals, and objectives of each of the retirement funds. The committee may, by majority vote, direct the State Treasurer to dispose of any holding it judges may not be suitable for the funds involved and may, by unanimous vote, direct the State Treasurer to make specific investments. The committee meets on a quarterly basis.

The three public members of the five-member committee are appointed by the governor, with the advice and consent of the senate, for three-year terms. Upon expiration of a term, a member may continue to serve until a successor is appointed. The other two members serve by virtue of their positions in state government.

Chief Deputy Treasurer

The Chief Deputy Treasurer oversees the Bureau of Tax and Economic Policy, the Office of Program Management, the Tax Processing Bureau, the Customer Service Bureau, the Tax Compliance Bureau, the Administrative Services Bureau, and the Financial Services Bureau.

Bureau of Tax and Economic Policy

The **Tax Policy Division** is composed of analysts and attorneys specializing in various tax areas. This division has primary responsibility for preparation of legal guidance for both internal and external customers to clarify and interpret statutes and establish departmental policy positions on tax issues. This division further provides legislative and litigation support to the Executive Office and the Office of the Attorney General.

The *Hearings Division* provides a forum for the resolution of disputed tax issues. Under the Revenue Act, the department must provide the opportunity for taxpayers to seek administrative review of disputes through the informal conference process. The Hearings Division, comprised of Administrative Law Examiners, holds conferences, makes recommendations, and prepares orders in cases for the Treasurer's approval. In addition to conducting informal conferences, the Office of Hearings presents recurring issues or new issues to the Director for further research or legislative remedy.

The **Policy Communications and Disclosure Division** is responsible for relaying department tax policy positions to the general public and to internal stakeholders utilizing the worldwide web and written media channels. The division is responsible for administering the disclosure program and ensuring that all confidential information is appropriately safeguarded and disclosed legally. The division is responsible for maintaining liaison relationships with external organizations such as Federation of Tax Administrators, IRS, other states, and professional tax organizations in Michigan.

The **Economic and Revenue Forecasting Division** is responsible for preparing the official Michigan economic and revenue forecasts with which the State Treasurer and the governor formulate the administration's tax and budget policy and is also required to provide economic and revenue forecasts for the administration's participation in the Consensus Revenue Estimating Conferences. The division administers the State Revenue Sharing program that distributes state-collected sales tax to local governments.

The **Tax Analysis Division** is composed of economists specializing in various tax areas. This division provides analysis of Michigan taxes, tax characteristics, and tax proposals through which tax policy is formulated. The division annually tabulates and reports the growth and distributive pattern of each separate tax and the overall structure to policy makers and the public. In addition, the division evaluates and estimates existing tax features for their effect on the distribution of Michigan's tax burden and on the efficiency and growth of the Michigan economy.

The Office of the Legislative Liaison coordinates the Department of Treasury's legislative activities. In addition to testifying before house and senate committees on legislation affecting taxes administered by the department, this office also processes taxpayer concerns received from legislative offices.

The Office of Program Management

The *Office of Program Management* develops, controls, and monitors all phases of the budget and measurement process for the Department of Treasury. This involves preparation of the annual budget request; serving as liaison with the state budget office, legislative fiscal staff, and appropriation committees on budget enactment, monitoring/controlling expenditures; and developing/implementing measurement systems.

Revenue Administration

Revenue administration staff are responsible for administering, collecting, refunding, auditing, and enforcing the major tax laws, including income, sales, use, single business, motor fuel, real estate transfer, and 37 other miscellaneous taxes. The Tax Processing Bureau is responsible for processing tax returns in a timely and accurate manner. It develops procedures governing the data entry of all tax returns and assigns staff to various methods of data capture. It also researches and develops methods to receive and process returns electronically, thus reducing reliance on paper documents. Finally, it insures that all tax information is protected and secure. The Customer Service Bureau handles all levels of taxpayer inquiries; the Tax Compliance Bureau conducts all audit and discovery functions; and the Bureau of Tax Policy coordinates the development of tax policy. Tax and fee collections for the fiscal year 2004 totaled over \$23.9 billion less refunds of \$1.8 billion for a net total of over \$22.1 billion.

Financial and Administrative Services Financial Services Bureau

The *Collection Division* is the centralized collection agency for all delinquent assessed taxes administered by the department and debts owed to state agencies, including some universities and courts. The division promotes compliance with Michigan tax laws which leads to fair and equitable taxation for citizens.

This division also administers the Third Party Withholding program, which is responsible for processing court order garnishments that intercept income tax refunds, vendor payments, state employee's payroll, and other types of payments that are being made by the state of Michigan to their debtor in satisfaction of a court judgement.

The *Finance and Accounting Division* coordinates and oversees the department's accounting function. This includes the processing of vendor payments, direct vouchers, inter-account bills, travel, interfaces, and inventory and asset control.

The division reconciles the state's bank statement activity with the state's accounting system. Additionally, it fulfills Treasury's central control agency relationship with the Michigan Administrative Information Network (MAIN) within the Department of Management and Budget.

The *Receipts Processing Division* serves as the central service agency to all state agencies for the administration of all statewide banking activity, related banking contracts, and statewide cash receipting. This division administers the disbursement and receipting of approximately \$36 billion annually, with over \$11 billion received via Electronic Funds Transfer (EFT).

Principal activities for the division include processing deposits, administering the lockbox contracts with banks, and administering the State Treasurer accounts held at various financial institutions throughout the state. Other principal activities include review and reconciliation of the State Treasurer's primary bank account, managing the state credit card and electronic funds transfer contracts, and working with other state agencies in the administration of state contractual relationships with financial institutions and revenue accounting responsibilities.

Administrative Services Bureau

The *Administrative Services Bureau* provides support services for the entire department and includes the following functions: Human Resources, Purchasing, Forms and Document Services, Mail Operations and Facility Services and Unclaimed Property.

The *Human Resources Division* performs the employee services for the department's 1,250 employees, including payroll and benefits, classifications, selection, recruiting, employee relations, disability management, and training.

The *Purchasing Section* provides the procurement and contracting services for the department. This section is responsible for the annual issuance of approximately 1,200 purchase orders and 30 requests for proposals.

The Forms and Document Services Section administers the department's centralized forms and documentation programs. The unit develops, processes, maintains, and implements standards for official department documentation and designs, edits, and coordinates printing of approximately 1,800 departmental forms and publications. The unit also administers contracts for the paper, printing, and mailing of tax booklets to Michigan taxpayers each year.

The **Mail Operations and Facility Services Division** opens and sorts the 3.6 million pieces of mail the department receives each year. There is a permanent staff of 28 employees. This division also manages office space functions.

The *Unclaimed Property Division* has over 5.8 million accounts totaling more than \$750 million in unclaimed property. The division processes over 30,000 claims and pays out more than \$30 million each year. Efforts to reunite property owners or their heirs with their property includes the placement of an advertisement twice a year in a statewide newspaper and publishing the unclaimed property database on the department's website at www.michigan.gov/unclaimedproperty.

State and Local Finance

The Deputy Treasurer for State and Local Finance oversees the Bureau of Student Financial Services, and all public and municipal finance and regulatory programs within the department, supervises the cash and debt management function for the state, serves as a member of the treasurer's executive team, and is his chief advisor regarding public finance.

Student Financial Services Bureau

The Office of Scholarships and Grants promotes access and choice to Michigan residents to post secondary educational opportunities through the administration of nine state and three federally funded scholarship and grant programs. These programs include the Michigan Competitive Scholarship (MCS), the Michigan Tuition Grant (MTG), the Michigan Merit Award, the Tuition Incentive Program (TIP), the Adult Part-Time Grant (APTG), the Michigan Educational Opportunity Grant (MEOG), the Michigan Work-Study Undergraduate and Graduate Programs (MWSU/G), the Michigan Nursing Scholarship (MNS), the Robert C. Byrd Honors Scholarship (BYRD), the Leveraging Educational Partnership (LEAP), and the GEAR UP Michigan! Scholarship programs. Annual distribution of funds for these programs exceeds \$240 million awarded to students at nearly 900 colleges, universities, and other approved postsecondary institutions worldwide.

The Office of the Michigan Guaranty Agency administers the Federal Family Education Loan Program which includes the Subsidized Federal Stafford Loan Program, the Unsubsidized Federal Stafford Loan Program, the Federal PLUS Loan Program, the Federal Consolidation Loan Program, and the Federal Supplemental Loan for Students Loan Program. Since its inception, MGA has guaranteed over \$9.2 billion in student loans. MGA's services include training and technical support services to schools and lenders, borrower information programs, and customer assistance starting from loan application through the repayment process. As of September 30, 2004, the Michigan Guaranty Agency guaranteed more than 225,573 loans totaling in excess of \$862 million that were made by private lending institutions and the Michigan Higher Education Student Loan Authority's Michigan Direct Student Loan Program.

Authorities and Boards

MICHIGAN EDUCATION TRUST BOARD OF DIRECTORS

Serve at the Pleasure of the Governor

JAY B. RISING. State Treasurer (Chair) ROBERT A. BOWMAN, Harbor Springs (President) THOMAS P. SULLIVAN, Brighton (Vice President)

Four-Year Public		
Colleges and Universities	Term expires	
Dr. Michael Rao, Central Michigan University	. Dec. 31, 2006	
Community and Junior Colleges		
Paula D. Cunningham, Lansing Community College	. Dec. 31, 2006	
General Public		
CYNTHIA N. FORD, Grosse Pointe	. Dec. 31, 2007	
KATHLEEN SCHMALTZ Jackson	Dec 31 2005	

MICHIGAN EDUCATION TRUST BOARD OF DIRECTORS (Cont.)

Nominated by Senate Majority Leader	Term expires
Stephanie M. Wilkinson, Port Huron	. Dec. 31, 2005
Nominated by Speaker of the House of Representatives	
LON SCHNEIDER, Tustin	. Dec. 31, 2005

The **Michigan Education Trust (MET)** was created by Act 316 of 1986 to provide a method for families to prepurchase their children's future Michigan college tuition costs. The trust offers contracts to purchasers, collects and invests the funds, and pays out tuition to colleges and universities when enrollees attend college.

The trust is governed by a board of directors, composed of the State Treasurer and eight members appointed by the governor, with the advice and consent of the senate. Of the eight members appointed by the governor, two serve at the pleasure of the governor, and the other six members serve 3-year terms. Upon expiration of a term, a member may continue to serve until a successor is appointed.

The **Michigan Education Savings Program (MESP)** was created by Act 161 of 2000 to provide families with a flexible way to save for future education expenses through a choice of investment options and is also administered by the State Treasurer. The MET Board of Directors serves as an advisory board for MESP.

MICHIGAN MERIT AWARD BOARD

Positions Designated by Statute

JAY B. RISING, State Treasurer (Chair)
ROBERT E. JOHNSON, Department of Labor and Economic Growth
MICHAEL FLANAGAN, Superintendent of Public Instruction

Public Members	Term expires
PENELOPE BAILER, Detroit	Sept. 30, 2007
CAROLYN A. HART, Rockford	Sept. 30, 2007
HAROLD J. VOORHEES, Wyoming	Sept. 30, 2005
PASTOR MARVIN L. WINANS, Detroit	Sept. 30, 2005

Act 94 of 1999 (the Michigan Merit Award Scholarship Act) established the Michigan Merit Award, a program that rewards academic achievement on Michigan Educational Assessment Program (MEAP) statewide assessment tests and makes postsecondary education more affordable. Beginning with the high school graduating class of 2000, students who met certain criteria were eligible for a Michigan Merit Award of \$2,500 to be used at any approved post-secondary educational institution. Beginning with the class of 2005, an additional award of up to \$500 may be made. Some 51,000 graduates of the class of 2002 qualified for the \$2,500 award. The award is available to all Michigan students (including public school, public school academy, nonpublic school, and home school students) who meet all eligibility requirements.

The program is guided by the **Michigan Merit Award Board**. The board is responsible for developing the rules and processes by which the program is administered.

Funding is provided by a portion of Michigan's share of the revenue from the November 1998 multi-state settlement agreement with tobacco manufacturers.

Bureau of Bond Finance

The *Bureau of Bond Finance* coordinates the issuance of state and authority bonds and notes, including State General Obligation issues, performs related fiscal oversight responsibilities, assists with managing the State's Common Cash Investment Fund, prepares statewide cash flow projections of receipt and disbursement activity, federal Cash Management Improvement Act compliance for drawing federal funds, and administration of the School Bond Loan Program.

MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY AND MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

Private Occupational Schools	Term expires
HOWARD WEAVER, Northville	. May 22, 2005
Wayne State University	
HARVEY HOLLINS III, Belleville	. May 22, 2005
Community Colleges	
Harvey Bronstein, Sunfield	. May 22, 2007
Dr. Juan R. Olivarez, Grand Rapids	. May 22, 2005
University of Michigan	
CYNTHIA H. WILBANKS, Ypsilanti	. May 22, 2006
State-Supported Four-Year Universities	
Dr. E. John Shinsky, DeWitt	
KATHLEEN M. WILBUR, Okemos	. May 22, 2006
Secondary Schools	
Dr. Craig Douglas, Saginaw	. May 22, 2007
Private Colleges	
GINA M. TORIELLI, West Bloomfield	
PHYLLIS HOOYMAN, Holland	. May 22, 2007
Eligible Lending Institutions	
JAMES E. BARKER IV, Rochester Hills	. May 22, 2008
Michigan State University	
COLLEEN M. McNamara, Okemos	. May 22, 2008
General Public	
RICHARD FORTIER, Alpena	
JACK D. MINORE, Flint	
STEPHEN H. TERRY, Williamston	way 22, 2006

ex officio

JAY B. RISING, State Treasurer (Chair)

The Michigan Higher Education Assistance Authority was created by Act 77 of 1960 and was transferred to the State Board of Education by Act 380 of 1965 to assist in establishing policy for the many financial assistance programs offered by the Department of Education. It establishes policy for the Federal Family Education Loan Program, the Michigan Competitive Scholarship, Michigan Tuition Grant, Michigan Work-Study, Michigan Educational Opportunity Grant, Adult Part-time Grant, and the Michigan Nursing Scholarship. In addition, the authority has administrative responsibility for the Tuition Incentive Program, and the federal Robert C. Byrd Honors Scholarship. The 15 members of the authority are appointed by the governor, with the advice and consent of the senate, to serve 4-year terms.

The Michigan Higher Education Student Loan Authority was established by Act 222 of 1975 to ensure Michigan access to financial assistance to pursue a postsecondary education at the school of their choice. The Student Loan Authority provides loans to students and parents of students and it also purchases student and parent loans from other lenders. Even though the Student Loan Authority membership is identical to the Assistance Authority membership, the two authorities are separate entities with different responsibilities and functions. The Student Loan Authority has policy control over three programs: the Michigan Direct Student Loan Program, the State Secondary Market, and the Michigan Alternative Student Loan Program (MI-LOAN). Operations for all three programs are primarily funded through the issuance of tax-exempt and taxable bond financings. Administrative functions are funded through the Federal Lenders Allowance authorized by the Federal Higher Education Act of 1965, as amended. These three programs are self-supporting and receive no state appropriations.

Effective April 8, 1995, both the Michigan Higher Education Assistance Authority and the Michigan Higher Education Student Loan Authority were transferred from the Michigan Department of Education to the Michigan Department of Treasury, pursuant to Executive Order No. 1995-3.

MICHIGAN HIGHER EDUCATION FACILITIES COMMISSION MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY

Public At-Large	Term expires	
WILLIAM J. COCHRAN, East Lansing (Vice Chair)	. May 22, 2006	
R. MILES HANDY, II, Redford	. May 22, 2004	
James Saalfeld, Grand Rapids	. May 22, 2004	
CAROL A. STOCKMAN, St. Joseph	. May 22, 2006	
James W. Woolfolk, Saginaw (Chair)	. May 22, 2007	
VACANCY	v	
Public Community and Junior Colleges		
Robert Partridge, Grand Rapids	. May 22, 2006	
Private Colleges and Universities		
GLENDA PRICE, Detroit	. May 22, 2007	
Public Colleges and Universities		
James N. Goenner, Mt. Pleasant	. May 22, 2004	
av officia		

ex officio

MICHAEL FLANAGAN, Superintendent of Public Instruction
LISA WEBB SHARPE, Director, Department of Management and Budget

The **Michigan Higher Education Facilities Commission** was established by Act 233 of 1964. The commission provides advice on the preparation and administration of the state plan for participation in the federal grant program, under the provision of Title I of the Higher Education Facilities Act of 1963, Public Law 88-204, for the construction of undergraduate academic facilities at public community colleges, public technical institutions, and other private and public degree-granting institutions. Currently the federal government is not funding the program.

The **Michigan Higher Education Facilities Authority** was created by Act 295 of 1969 to provide loans, through the issuance of tax-exempt bonds, to private nonprofit institutions of higher education within the state to finance educational facilities, including furnishings and equipment, and to refinance outstanding debt incurred for such purposes. The authority membership is identical to the Facilities Commission membership. The Facilities Authority was transferred from the Department of Education to the Department of Treasury in 1992 pursuant to Executive Order No. 1992-2.

The nine members of the commission and authority are appointed by the governor, with the advice and consent of the senate, for 4-year terms. Upon expiration of a term, a member may continue to serve until a successor is appointed.

MICHIGAN MUNICIPAL BOND AUTHORITY BOARD OF TRUSTEES

JAY B. RISING, State Treasurer (Chair)

Serve at the Pleasure of the Governor Public Officials or Employees With Expertise in State's Infrastructure Needs

SUSAN S. KALTENBACH, Saginaw PAMELA A. WONG, Lansing, Department of Education

Public Officials Nominated by the Senate Majority Leader

DONALD H. GILMER, Augusta Jan. 1, 2006

MICHIGAN MUNICIPAL BOND AUTHORITY **BOARD OF TRUSTEES (Cont.)**

Public Members	Term expires	
M. DAVID CAMPBELL II, East Lansing		
Nominated by the Speaker of the House of Representatives		
RICHARD LEBARON, Reed City	Jan. 1. 2005	

The Michigan Municipal Bond Authority was created by Act 227 of 1985 as amended to provide an alternative source of financing infrastructure projects and low-cost access to the public finance market to local units of government and school districts. The Authority has all the powers necessary to accomplish this purpose, including the power to borrow money and issue bonds and notes.

The Authority is governed by a seven-member board of trustees. The board consists of the State Treasurer and two public officials or employees, appointed by and serving at the pleasure of the governor, who have expertise in the state's infrastructure needs. Of the four resident members appointed by the governor to serve 3-year terms, one is nominated by the senate majority leader and one is nominated by the speaker of the house of representatives.

MICHIGAN PUBLIC EDUCATIONAL FACILITIES AUTHORITY

JAY B. RISING. State Treasurer

Public Members	Term expires
MARK J. BURZYCH, Okemos (Chair)	. March 18, 2006
ELDON G. HANCOCK, Lansing	. March 18, 2005
TIMOTHY A. HOFFMAN, DeWitt	. March 18, 2006
GANESH V. REDDY, Okemos	. March 18, 2008

The Michigan Public Educational Facilities Authority (MPEFA) was created to take advantage of federal tax law and funding opportunities for public educational facilities, as defined by the Economic Growth and Tax Relief Reconciliation Act of 2001.

MPEFA is a public body corporate, located in the Department of Treasury, funded by user fees and dedicated to providing opportunities for low-cost financing and technical assistance for qualified public educational facilities and public school academies through its bonding and loan programs. It is governed by a 5-member board of trustees, appointed by the governor with the advice and consent of the senate.

MICHIGAN STATE HOSPITAL FINANCE AUTHORITY

Public Members	Term expires
LINDA E. BLOCH, Birmingham	March 1, 2009
DOROTHY E. DEREMO, Northville	March 1, 2006
ASAD M. MALIK, Bloomfield	March 1, 2005
SUSAN WORK MARTIN, Grand Rapids (Chair)	March 1, 2007
Lois Shulman, West Bloomfield	March 1, 2006

ex officio

JAY B. RISING, State Treasurer JANET OLSZEWSKI, Director, Department of Community Health

The Michigan State Hospital Finance Authority was created by Act 38 of 1969 to assist nonprofit, nonpublic hospitals and other health care providers within the state to finance and refinance health care and other related facilities and equipment through the issuance of tax-exempt bonds. The Authority has all the powers necessary to accomplish this purpose, including the power to make loans to hospitals, nursing homes and homes for the aged.

The five public members of the authority are appointed by the governor, with the advice and consent of the senate, for 4-year terms. Upon expiration of a term, a member may continue to serve until a successor is appointed. The other two members serve by virtue of their positions in state government.

Bureau of Local Government Services

The *Assessment and Certification Division* provides the staff services for the State Assessors Board, the State Tax Commission, and the State Board of Assessors. The State Assessors Board provides training, examinations, certification, and annual updating for assessing personnel. It also receives and acts on revocation petitions filed against certified assessment administrators. There are approximately 2,800 persons who hold certificates in assessment administration, serving 83 counties, 1,242 townships, and 277 cities. The State Tax Commission generally supervises local assessing officers and provides support in the determination of the state equalized valuations for each class of property for each county. There are over 1,500 assessing units in 83 counties, which generated in 2003, through property tax levies, \$11 billion for use by schools, municipalities, and counties. The division assessed 7,145 properties owned by the Department of Natural Resources in 2004. The division also assesses public utilities, as specified in law; these assessments yielded approximately \$106 million to the state treasury in 2004.

STATE ASSESSORS BOARD

Serve at the Pleasure of the Governor

HENRY O. ALLEN, Flint LISA A. HOBART, Birmingham ROBERT R. LUPI, Brighton MAXINE MCCLELLAND, Big Rapids RAMAN A. PATEL, Ann Arbor

The **State Assessors Board** was created by Act 203 of 1969. The board consists of five members appointed by the governor, with the advice and consent of the senate. The members serve at the pleasure of the governor.

The responsibilities of the board are to review and approve assessment courses taught in schools, colleges, universities, and state and local government units, and to administer examinations to assessing officers to ensure competence.

The *Local Audit and Finance Division* issues guidance and monitors statutory compliance of local units of government. Staff members perform financial audits, single audits, legal compliance audits, or internal control reviews of local units of government when requested or at the discretion of the department. The division also reviews approximately 2,200 audits, conducted by outside sources, of counties, townships, cities and villages; monitors and approves deficit elimination plans of all local units; monitors the performance of pari-mutuel audits; and publishes audit and accounting guides to assist local units or certified public accountants. Through the review of qualifying statements and prior approval applications, the division approves or denies the issuance of debt by units of local government. The division audits all tax increment financing plans as well as industrial facilities tax and reconciles tax receipts against the state's accounting system.

The *Property Services Division* administers the state's tax reversion process and conducts the foreclosure process for 13 counties that have opted out of handling the process under Act 123 of 1999. The division also receives, reviews, and prepares, for the State Tax Commission approval, applications for the Industrial Facilities Tax, Air and Water Pollution Control, Neighborhood Enterprise Zone, Obsolete Property Rehabilitation, and New Personal Property tax exemptions programs.

STATE TAX COMMISSION

	Term expires
ROBERT H. NAFTALY, West Bloomfield (Chair)	Sept. 13, 2009
ROBERT R. LUPI, Brighton	Sept. 13, 2005
DOUGLAS B. ROBERTS, East Lansing	Sept. 13, 2007

The **State Tax Commission** was created by Act 360 of 1927. The three members of the commission are appointed by the governor, with the advice and consent of the senate, for 6-year terms. Upon expiration of a term, a member may continue to serve until a successor is appointed. Commission members must have at least five years of experience in government or the private sector dealing with state or local tax matters. The commission establishes the state equalized value for each class of property for each county total; prepares assessment rolls for state assessed public utilities; approves applications for exemptions for air and water pollution control facilities and neighborhood enterprise zones and for industrial property abatements; adds omitted property to local assessment rolls and corrects erroneous personal property statements under MCL 211.154 arbitrates petition for change of classification; certifies valuation and assessment of lands purchased by the Department of Natural Resources; assumes superintending control over uncertified local assessment rolls; and provides general supervision of all assessing officers. It also supervises the local implementation of the assessment cap instituted by passage of Proposal A on March 15, 1994.

TASK FORCE ON LOCAL GOVERNMENT SERVICES AND FISCAL STABILITY

Serve at the Pleasure of the Governor Four Members Representing Cities or Villages

SCOTT D. BUHRER. Lowell KARL S. TOMION. Midland Sean K. Werdlow. Detroit RILLASTINE R. WILKINS, Muskegon Heights

Four Members Representing Counties

GERALD W. AMBROSE, Mason DONALD H. GILMER. Augusta TOM L. HICKNER, Bay City DAVID M. HIEBER, Wixom

Four Members Representing Townships

TIMOTHY J. BRAUN, Saginaw RUTH ANN JAMNICK, Ypsilanti PATRICIA J. PIKKA, Wakefield LARRY T. RUTLEDGE, LaSalle

Three Members Representing Special Purpose Local Districts or Authorities Serving More Than One Local Unit of Government or Other Intergovernmental Entities Created by More Than One Local Unit of Government Other Than a School District or Intermediate School District

> ALEX R. ALLIE, NOVI DAVID M. DIEGEL, Shelby Township GREGORY E. PITONIAK, Taylor

ex officio

MARY A. LANNOYE, State Budget Director JAY B. RISING State Treasurer

The Task Force on Local Government Services and Fiscal Stability was created as an advisory body within the Department as a forum for the discussion of issues relating to local government services and fiscal stability by representatives of local governments in Michigan.

Bureau of State Lottery

The Bureau of State Lottery was created by Act 239 of 1972. The lottery commissioner is appointed by and holds office at the pleasure of the governor.

The Act provides that the commissioner shall initiate, establish, and operate a state lottery, maximizing net revenues consistent with the general welfare of the people. The commissioner further prescribes rules, regulations, and conditions as provided for by law, under which the state lottery is operated. Revenue from the operation of the state lottery, less operating costs, goes to the State School Aid Fund.

Act 382 of 1972 assigned the responsibility for licensing and regulation of organizations operating bingo games, millionaire parties, raffles, and selling charity game tickets, in accordance with the law, to the Bureau of State Lottery.

The bureau was transferred from the Department of Management and Budget as an autonomous entity to the Department of Treasury pursuant to Executive Order No. 1991-2.

The Bureau of State Lottery offices are located at 101 E. Hillsdale, P.O. Box 30023, Lansing, Michigan 48909.

MICHIGAN GAMING CONTROL BOARD

Public Members	Term expires
Benjamin J. Friedman	Dec. 31, 2007
Damian S. Kassab (Chair)	Dec. 31, 2008
DONALD L. ROBINSON	Dec. 31, 2008
Barbara J. Rom	Dec. 31, 2007
HON, MICHAEL STACEY	Dec. 31, 2006

On November 5, 1996, Michigan voters approved Proposal E, now known as the Michigan Gaming Control and Revenue Act, to authorize up to three licensed casinos in Detroit and create the **Michigan Gaming Control Board**. The board, an autonomous agency within the Department of Treasury, is responsible for implementing, administering, and enforcing the provisions of the act related to licensing, regulating, and collecting taxes and fees from the authorized casinos.

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